

PUBLIC HEARING & WORK SESSION

HB 2257

PUBLIC HEARING HB 2521, HB 3441

TAPES 94 A

HOUSE REVENUE COMMITTEE

MARCH 30, 2005 1:00 PM STATE CAPITOL BUILDING

Members Present:

- Tom Butler, Chair
- Rep. Vicki Berger, Chair
- Rep. Mark Hass, Vice-Chair
- Rep. Brian Boquist
- Rep. Sal Esquivel
- Rep. Larry Galizio
- Rep. Betty Komp
- Rep. Andy Olson
- Rep. Chuck Riley

Witnesses Present:

- Sam Adams, Commissioner, City of Portland
- Marge Kafoury, Govt. Relations, City of Portland
- Michelle Deister, League of Oregon Cities

Staff Present: Lizbeth Martin-Mahar, Economist
Kristi Bowman, Committee Assistant

TAPE 94, SIDE A

002 Chair Butler Calls meeting to order at 1:05 p.m.

OPENS PUBLIC HEARING FOR HOUSE BILL 3441

024 Sam Adams Submits Fact Sheet handout in support of HB 3441 (Exhibit 1).
Explains the different budget committee processes in the City of Portland versus other municipalities.

045 Chair Butler Asks if other entities such as the League of Oregon Cities or the Assn. of Oregon Counties would be commenting on this bill.

048 Adams Responds that this bill only affects the City of Portland and potentially community colleges.

053 Rep. Berger Comments that there is a unique budget process in Multnomah County affecting municipal employees. HB 3441 allows the county to change their budget committee process, but does not mandate it.

062 Adams Adds that the 1963 legislation only affected Multnomah County. HB 3441 would allow Mt. Hood Community College, Portland Community College, and the City of Portland the option of adding citizens to their budget committees.

CLOSES PUBLIC HEARING FOR HOUSE BILL 3441

OPENS PUBLIC HEARING FOR HOUSE BILL 2257

097 Lizbeth Martin-Mahar Explains that this bill corrects technical changes in the statute pertaining to bonds.

116 Rep. Boquist Expresses concern about the wording change proposed between “shall” and “may” in line 9 of the bill. Comments that he would like to have someone from Legislative Counsel explain the wording change.

CLOSES PUBLIC HEARING FOR HOUSE BILL 2257

OPENS PUBLIC HEARING FOR HOUSE BILL 2251

134 Martin-Mahar Gives overview of HB 2521 (Exhibit 2). Refers to Issue Brief (Exhibit 3) that gives a detailed chronology of legislation pertaining to public sector retirement income and taxation. Adds that in current

law, local government plans must be equal to or better than the Public Employee Retirement System (PERS) benefits.

- 174 Chair Butler Asks how many plans are affected.
- 185 Michelle Deister Responds that there are 240 cities in Oregon, and 170 are members of PERS. There 7 cities with “equal to or better than” (ETOB) plans for fire and police employees. There are some cities so small (one full-time or part-time employee) that do not offer any kind of pension plan. Will provide revenue impact information to Martin-Mahar.
- 214 Marge Kafoury Testifies in support HB 2521. It puts the City of Portland’s fire and police employee pensions on par with PERS in that both will be exempt from Oregon income tax in accordance with previous legislation affecting public sector pensions.
- 223 Chair Butler Comments about previous lawsuits filed on behalf of other public employees who were being treated differently on their pension benefits. Asks if there are current pending lawsuits from affected public sector groups.
- 235 Deister Responds that she believes that HB 2521 is linked to legislation following passage of HB 3349 enacted in 1995.
- 250 Chair Butler General comments about previous pension legislation. Recommends seeking counsel from the attorney general’s office on this bill.

- 274 Rep. Riley Comments about the language “equal to or better than PERS.” Asks about employees who are not at the same level as PERS employees.
- 276 Kafoury Responds that the statute was amended many years ago requiring fire and police non-PERS employee benefit plans to be equal to or better than those of PERS employees. There are periodic reviews done to compare PERS and non-PERS pension plans.
- 300 Deister Adds that some local governments are so small that they can only offer their employees other non-PERS plans. Whether they are more or less equal to PERS depends on “who you ask.”
- 309 Rep. Berger Comments that the situation regarding federal employees may be a different issue than the issues addressed in HB 2521. Recommends seeking more information on this issue.
- 330 Chair Butler Agrees with Rep. Berger and requests more information on this bill.

CLOSES PUBLIC HEARING FOR HB 2521

- 360 Chair Butler Adjourns meeting at 1:28 p.m.

Tape Log Submitted by:

Reviewed by:

Kristi Bowman, Committee Assistant

Kim Taylor James, Committee
Coordinator

Exhibit Summary:

1. 1. HB 3441, Handout: Fact Sheet, Adams, 1 pg., 03/30/05
2. 2. HB 2521, Staff Measure Summary, Martin-Mahar, 1 pg., 03/30/05
3. 3. HB 2521, Issue Brief, Filsinger, 4 pp., 01/2000
4. 4. HB 2521, Research Brief, Legislative Revenue Office, 2 pp., 09/2001